IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re	)	Chapter 11 Case
MIRANT CORPORATION, et al.,	)	Case No. 03-46590 (DML)
	)	Jointly Administered
Debtors.	)	

SUMMARY OF SECOND AMENDED DISCLOSURE STATEMENT RELATING TO THE DEBTORS' SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION

Dated: September 30, 2005

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FOR A SUMMARY OF THE DISTRIBUTIONS MADE UNDER THE PLAN, SEE SECTION IV.C BELOW.

I.

INTRODUCTION

The Second Amended Disclosure Statement (the "Disclosure Statement," an electronic copy of which accompanies this Summary on the enclosed CD) includes and describes the Second Amended Joint Chapter 11 Plan of Reorganization, dated September 30, 2005 (the "Plan," a copy of which is attached as Exhibit "A" to the Disclosure Statement), which has been filed by and with respect to the Chapter 11 Debtors listed in Schedule 2 to the Disclosure Statement (the "Debtors"). Other than Mirant Debtor Class 1 — Priority Claims, MAG Debtor Class 1 — Priority Claims, MAG Debtor Class 6 — MAG Long-term Note Claims and MAG Debtor Class 8 — Equity Interests, which are unimpaired under the Plan and are therefore deemed to have accepted the Plan, all classes are entitled to vote to accept or reject the Plan. Accordingly, except for the foregoing unimpaired classes of Claims and Equity Interests, the Debtors are soliciting acceptances of the Plan from the holders of all Claims and Equity Interests.

The Plan is the product of extensive negotiations between and among, and is supported by, the Debtors and the Official Committee of Unsecured Creditors of Mirant Corporation (the "Corp Committee"), the Official Committee of Unsecured Creditors of Mirant Americas Generation, LLC (the "MAG Committee"), the Official Committee of Equity Security Holders of Mirant Corporation (the "Equity Committee" and, together with the Corp Committee and the MAG Committee, the "Committees") and certain affiliates of Morgans Waterfall, including Phoenix Partners LP, together with its affiliates ("Phoenix"), acting as an ad hoc representative of the holders of subordinated debt of Mirant Corporation ("Mirant").

The Debtors, the Committees and Phoenix believe that the Plan is in the best interests of, and provides the highest and most expeditious recoveries to, holders of all Claims and Equity Interests. The Debtors, the Committees and Phoenix urge all holders of Claims and Equity Interests that receive a Ballot to execute that Ballot and vote in favor of the Plan.

Voting instructions are contained in the Disclosure Statement Order, a copy of which is attached to the Disclosure Statement as Exhibit "B." **To be counted, your ballot must be duly completed, executed and actually received by the Debtors' solicitation agent by November 10, 2005, at 4:00 p.m., Prevailing Central Time (the "Voting Deadline").**

All capitalized terms used herein and not defined in the immediately preceding paragraphs shall have the meanings ascribed thereto in the Plan (see Exhibit "A" of the Plan entitled "Definitions and Interpretation").

II.

NOTICE TO HOLDERS OF CLAIMS AND EQUITY INTERESTS

The purpose of the Disclosure Statement (as summarized in this Summary) is to enable you, as a creditor whose Claim is impaired under the Plan, or as a stockholder whose Equity Interest is impaired under the Plan, to make an informed decision in exercising your right to vote to accept or reject the Plan.

The Disclosure Statement contains important information that may bear upon your decision to vote to accept or reject the Plan; please read it with care.

Statements made in this Summary are qualified in their entirety by reference to the Disclosure Statement, the Plan, and the Exhibits and Schedules annexed thereto. The statements contained in this Summary and the Disclosure Statement are made only as of the date hereof, and there can be no assurance that the statements contained herein will be correct at any time after the date hereof. In the event of any conflict between the description set forth in this Summary and the terms of the Plan or the Disclosure Statement, the terms of the Plan shall govern.

This Summary and the Disclosure Statement have been prepared in accordance with section 1125 of title 11, United States Code (11 U.S.C. §§ 101, et seq.) (the "Bankruptcy Code") and Rule 3016(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and not necessarily in accordance with federal or state securities law or other non-bankruptcy law. This Summary and the Disclosure Statement have been neither approved nor disapproved by the Securities and Exchange Commission (the "SEC"), nor has the SEC passed upon the accuracy or adequacy of the statements contained herein. Persons or entities trading in or otherwise purchasing, selling or transferring securities or claims of Mirant or any of its subsidiaries and affiliates should evaluate this Summary, the Disclosure Statement and the Plan in light of the purpose for which they were prepared.

As to contested matters, adversary proceedings and other causes of action or threatened causes of actions, this Summary shall not constitute or be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations. This Summary shall not be admissible in any non-bankruptcy proceeding, nor shall it be construed to be conclusive advice on the tax, securities, and other legal effects of the Plan as to holders of Claims against, and Equity Interests in, Mirant or any of its subsidiaries and affiliates, as debtors and debtors-in-possession in these Chapter 11 Cases.

On September 30, 2005, after notice and a hearing, the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the "Bankruptcy Court"), issued an order pursuant to section 1125 of the Bankruptcy Code (the "Disclosure Statement Order") approving the Disclosure Statement and this Summary as containing information of a kind, in sufficient detail, and adequate to enable a hypothetical, reasonable investor typical of the solicited classes of Claims and Equity Interests of the Debtors to make an informed judgment with respect to the acceptance or rejection of the Plan (the Disclosure Statement Order is attached to the Disclosure Statement as Exhibit "B," and should be referred to for details regarding the procedures for the solicitation of votes on the Plan). **Approval of this Summary and the Disclosure Statement by the Bankruptcy Court does not constitute a determination by the Bankruptcy Court of the fairness or merits of the Plan or of the accuracy or completeness of the information contained in this Summary and the Disclosure Statement.**

Each holder of a Claim or Equity Interest entitled to vote to accept or reject the Plan should read this Summary, the Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Summary, the Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtors and certain of the professionals they have retained, no person has been authorized to use

or promulgate any information concerning the Debtors, their businesses, or the Plan other than the information contained in the Disclosure Statement and if given or made by any such person, such information may not be relied upon as having been authorized by the Debtors. **In connection with the exercise of your right to vote on the Plan, you should not rely on any information relating to the Debtors, their businesses, or the Plan other than that contained in this Summary, the Disclosure Statement and the Schedules and Exhibits thereto.**

After carefully reviewing this Summary, the Disclosure Statement and the Plan, including the attached Schedules and Exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot and returning the executed ballot in the enclosed, postage prepaid, return envelope so that it will be actually received by Bankruptcy Services, LLC or Financial Balloting Group LLC (as applicable), the Debtors' solicitation agent, no later than the Voting Deadline. All votes to accept or reject the Plan must be cast by using the appropriate ballot. Votes which are cast in any other manner will not be counted. All ballots must be actually received by the solicitation agent no later than November 10, 2005 at 4:00 p.m. Prevailing Central Time. **For detailed voting instructions and the name, address and phone number of the person you may contact if you have questions regarding the voting procedures, see the Disclosure Statement Order.**

DO NOT RETURN ANY OTHER DOCUMENTS WITH YOUR BALLOT.

You may be bound by the Plan if it is accepted by the requisite holders of Claims and Equity Interests, even if you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim.

The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing") on December 1, 2005, at 9:30 a.m., Prevailing Central Time, before the Honorable D. Michael Lynn, United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served no later than November 10, 2005 at 4:00 p.m., Prevailing Central Time, in the manner described in the Disclosure Statement Order.

THE DEBTORS, THE COMMITTEES AND PHOENIX SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS AND EQUITY INTERESTS TO ACCEPT THE PLAN.

III.

EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, pursuant to which a debtor-in-possession may reorganize its business for the benefit of its creditors, stockholders, and other parties in interest. The Debtors commenced the chapter 11 cases (the "Chapter 11 Cases") with the filing by the Debtors for voluntary protection under chapter 11 of the Bankruptcy Code on July 14, 2003 and various dates thereafter. The Chapter 11 Cases have been consolidated for administrative purposes and are jointly administered under Case No. 03-46590 (DML) by order of the Bankruptcy Court.

B. Plan of Reorganization

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the holders of claims against and interests in the debtor's estate. Unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case (the "Filing Period"). However, section 1121(d) of the Bankruptcy Code permits the bankruptcy court to extend or reduce the Filing Period upon a showing of "cause." Following the filing of a plan, a debtor must solicit acceptances of the plan within a certain time period (the "Solicitation Period"). The Solicitation Period may also be extended or reduced by the bankruptcy court upon a showing of "cause." In the Chapter 11 Cases, the Debtors' Filing Period and the Debtors' Solicitation Period have been extended to the conclusion of the Confirmation Hearing, subject to certain conditions. As the Debtors filed their original plan during the Filing Period as extended by the Bankruptcy Court, no other creditor or party in interest may file a plan until the expiration of the Solicitation Period unless the Bankruptcy Court shortens or extends the Solicitation Period for cause.

After a plan of reorganization has been filed, the holders of impaired claims against and interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of Claims against and Equity Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Debtors' solicitation of votes on the Plan.**

C. Confirmation of a Plan of Reorganization

If all classes of claims and equity interests accept a plan of reorganization, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of the Bankruptcy Code have been satisfied. **The Debtors believe that the Plan satisfies all the applicable requirements of the Bankruptcy Code.**

Chapter 11 of the Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a plan of reorganization for the bankruptcy court to determine that the class has accepted the plan.

In addition, classes of claims or equity interests that are not "impaired" under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Furthermore, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. Accordingly, acceptances of a plan generally will be solicited only from those persons who hold claims or equity interests in an impaired class that is receiving or retaining property under the Plan. **Except for Mirant Debtor Class 1 — Priority Claims, MAG Debtor Class 1 — Priority Claims, MAG Debtor Class 6 — MAG Long-term Note Claims and MAG Debtor Class 8 — Equity Interests, which are unimpaired, all classes of Claims and Equity Interests are impaired under the Plan and entitled to vote on the Plan.**

The bankruptcy court also may confirm a plan of reorganization even though fewer than all the classes of impaired claims and equity interests accept such plan. For a plan of reorganization to be confirmed, despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without

counting the votes of Insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan. **In the view of the Debtors, the Committees and Phoenix, the Plan has been structured so that it will satisfy the foregoing requirements as to any rejecting class of Claims or Equity Interests and can therefore be confirmed, if necessary, over the objection of any (but not all) classes of Claims or Equity Interests.**

As a condition to confirmation of the Plan, section 1129(a)(7)(A)(ii) of the Bankruptcy Code requires that each holder of a Claim or Equity Interest in an impaired class of claims or equity interests that has not voted to accept the Plan must receive or retain at least the amount or value it would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the effective date. As set forth in greater detail in the liquidation analysis provided on Exhibit "C" to the Disclosure Statement, the Debtors believe that this condition is satisfied under chapter 7 of the Bankruptcy Code.

IV.

OVERVIEW OF THE PLAN

The Plan implements and reflects the agreement between and among the Debtors, the Committees and Phoenix as reflected in the Mirant Plan Term Sheet, dated September 7, 2005, setting forth the terms on which the Debtors will exit chapter 11 protection, and provides for the treatment of all Claims against and Equity Interests in all of the Debtors, whose Chapter 11 Cases are jointly administered under Case No. 03-46590 (DML).

A. Summary of the Terms of the Plan

The Plan is built around the following key elements:

- the Debtors' business will continue to be operated in substantially its current form, subject to certain internal structural changes that the Debtors believe will improve operational efficiency, facilitate and optimize their ability to meet financing requirements and accommodate the enterprise's debt structure as contemplated at emergence;

- the consolidated business will have approximately $4,283,000,000 of debt (as compared to approximately $8,630,000,000 of debt at the commencement of the Chapter 11 Cases), comprised of (1) $1,063,000,000 of debt obligations associated with non-debtor international subsidiaries of Mirant; (2) $169,000,000 of miscellaneous domestic indebtedness including, in particular, the $109,700,000 West Georgia Secured Note (or, in the event of a settlement, approximately $94,700,000 under the West Georgia Amended Loan Documents); (3) $1,700,000,000 of reinstated debt at MAG; and (4) $1,350,000,000 of new debt issued by a newly formed intermediate holding company under MAG ("New MAG Holdco") in partial satisfaction of certain existing MAG debt. The foregoing amounts exclude (a) MIRMA's obligations under the lease-financing transactions covering the Morgantown Power Station and Dickerson Power Station, and (b) any amounts drawn on a new $1,000,000,000 senior secured revolving credit facility that is part of the Exit Facility being provided to New MAG Holdco under the Plan;

- in settlement of the intercompany claims and potential causes of action arising from the complex historical relationships between and among the Debtors, (1) the Estates of Mirant, Mirant Americas Energy Marketing, LP ("MAEM"), Mirant Americas, Inc. ("MAI") and the other Debtor-subsidiaries of Mirant (excluding Mirant Americas Generation, LLC ("MAG") and its Debtor-subsidiaries) (collectively, the "Mirant Debtors") will be treated as comprising a single Estate, (a) eliminating any distributions under the Plan in respect of intercompany claims between and among the Mirant Debtors, and (b) limiting a creditor holding a base claim against a Mirant Debtor and a guarantee of such base claim from another Mirant Debtor to a single recovery thereon; and (2) the Estates of MAG and its Debtor-subsidiaries (collectively, the "MAG Debtors") will be treated as a single Estate, eliminating intercompany claim distributions and multiple recoveries on guarantee claims, as described in (a) and (b) above with respect to the Mirant Debtors; and (3) all claims and actions between the Mirant Debtors and the MAG Debtors will be released;

- the holders of all approximately $6,368,000,000 of Unsecured Claims against the Mirant Debtors (which amount includes (1) Claims arising under Mirant's 6.25% Junior Convertible Subordinated Debentures in the principal amount of $356,000,000 (the "Subordinated Notes"), and (2) postpetition interest on all Unsecured Claims against the Mirant Debtors as calculated pursuant to Section 10.14(a) of the Plan, but excludes a de minimis amount of Convenience Claims that will be paid in Cash in full) will receive a Pro Rata Share of (a) 96.25% of the shares of New Mirant Common Stock to be issued under the Plan, excluding: (i) the shares to be issued to the holders of certain Claims against the MAG Debtors as described herein, and (ii) the shares reserved for issuance pursuant to the New Mirant Employee Stock Programs, and (b) the right to receive Cash payments equal to 50% of the Cash recoveries, if any, realized on certain designated avoidance actions set forth in Schedule 8 to the Disclosure Statement, subject to certain adjustments for expenses, offsets and certain tax consequences to New Mirant; provided, however, that Claims in respect of Subordinated Notes shall receive the treatment provided under Section 15.4 of the Plan, as described in the paragraph below;

- a settlement of the contractual subordination provisions among the holders of certain senior unsecured obligations of Mirant and the beneficial holders of the Subordinated Notes pursuant to which, in lieu of the shares of New Mirant Common Stock they would otherwise receive absent subordination, (1) the holders of Subordinated Notes will receive (a) 3.5% of the New Mirant Common Stock issued under the Plan (which shares are included in the 96.25% referred to in the immediately preceding paragraph and subject to the exclusions noted above for Mirant's general unsecured creditors, as applicable) and (b) New Mirant Warrants to purchase an additional 5% of New Mirant Common Stock, and (2) the holders of Subordinated Notes will share pari passu with Mirant's general unsecured creditors in the recoveries under the designated avoidance actions, if any;

- the outstanding Equity Interests in Mirant will be cancelled and the holders thereof will receive (1) 3.75% of the shares of New Mirant Common Stock (subject to the exclusions noted above for Mirant's general unsecured creditors, as applicable), (2) New Mirant Warrants to purchase up to an additional 10% of the New Mirant Common Stock, and (3) the right to receive Cash payments equal to 50% of the Cash recoveries realized by New Mirant, if any, realized in connection with the designated avoidance actions set forth in Schedule 8 to the Disclosure Statement subject to certain adjustments for offsets, expenses and certain tax consequences to New Mirant;

- the holders of Unsecured Claims against the MAG Debtors will be paid in full (including postpetition interest as calculated pursuant to Section 10.14(b) of the Plan) through (1) the issuance to general unsecured creditors, holders of MAG Revolver Claims and MAG Short-term Note Claims, of: (a) $1,350,810,000 Cash proceeds from third-party financing transactions or, at the Debtors' election, new debt securities of New MAG Holdco, to be shared on a ratable basis with holders of MAG Debtor Class 4 — PG&E/RMR Claims, and (b) 2.3% of shares of New Mirant Common Stock issued under the Plan, excluding the shares to be reserved for issuance pursuant to the New Mirant Employee Stock Programs, to be shared on a ratable basis with holders of MAG Debtor Class 4 — PG&E/RMR Claims, and (2) the reinstatement of the MAG Long-term Notes, together with the establishment of certain additional covenant protections for the benefit of the holders of the MAG Long-term Notes;

- to further support the feasibility of the Plan with respect to the MAG Debtors, Mirant shall contribute (or cause to be contributed) value to MAG, including (1) the transfer of the trading and marketing business (subject to the transfer to New Mirant or MAI of $250,000,000 of Cash and certain receivables) to New MAG Holdco, (2) the transfer of Mirant Peaker and Mirant Potomac to MIRMA, (3) the transfer of Mirant Zeeland to New MAG Holdco, and (4) commitments to make prospective capital contributions of $150,000,000 for the refinancing of certain MAG debt that matures in 2011 and, under certain circumstances, up to $265,000,000 for environmental capital expenditures;

- substantially all of the contingent liabilities of the Debtors associated with the California energy crisis and certain related matters are resolved pursuant to the California Settlement Agreement;

- the disputes regarding the Debtors' ad valorem real property taxes for the Bowline and Lovett facilities will be settled and resolved on terms that permit the feasible operation of these Assets, or the New York Debtors will remain in chapter 11 until such matters are resolved by settlement or through litigation;

- substantially all of the Assets of Mirant will be transferred to New Mirant, which will serve as the corporate parent of the Debtors' business enterprise on and after the Effective Date and which shall have NO SUCCESSOR LIABILITY FOR ANY UNASSUMED OBLIGATIONS OF MIRANT; similarly, the trading and marketing business of the Trading Debtors shall be transferred to MET, which shall have NO SUCCESSOR LIABILITY FOR ANY UNASSUMED OBLIGATIONS OF THE TRADING DEBTORS;

- after the transfers of Assets described above, Mirant and the Trading Debtors will be transferred to a trust created under the Plan and ANY AND ALL NON-DISCHARGEABLE OBLIGATIONS OR CLAIMS NEITHER TREATED NOR PROVIDED FOR UNDER THE PLAN, AND THE BEWAG CONTRACT, WILL RIDE THROUGH THE PLAN AND THE CHAPTER 11 CASES. SUCH CLAIMS AND OBLIGATIONS WILL REMAIN CONTINGENT LIABILITIES OF MIRANT AND/OR THE TRADING DEBTORS WHICH WILL EACH BE OWNED BY THE TRUST; and

- the Debtors' obligations under all agreements with Pepco will be performed on an interim basis pending a final determination of the Debtors' right to reject, recharacterize, avoid or recover payments under the Back-to-Back Agreement, the APSA and the Assumption/Assignment Agreement. If the Debtors are unable to reject, recharacterize, avoid or recover payments under the Back-to-Back Agreement, the APSA or the Assumption/Assignment

Agreement, and such agreements constitute an executory contract under the Bankruptcy Code, the Debtors shall assume such agreements (and the Back-to-Back Agreement, the APSA and the Assumption/Assignment Agreement shall be assigned to Mirant Oregon and guaranteed by New Mirant) and any cure obligations shall be performed as provided for under the Plan.

B. The Mirant Plan Process

Commencing in early 2004, the Debtors' management began to focus its efforts on assessing the business and its short- and long-term prospects in order to develop a credible business plan that could serve as a platform for negotiations with the Debtors' primary constituencies regarding the terms of a chapter 11 plan of reorganization. As a consequence of this exercise, by mid-2004, a number of fundamental principles were developed upon which a chapter 11 plan could be formulated:

(1) the value of the Debtors' assets would be maximized for the benefit of all stakeholders by continuing to operate the business in substantially its current form;

(2) the Debtors' balance sheet would have to be materially delevered in order to reduce to acceptable levels the risk of future defaults in the payment of debt;

(3) absent a global settlement of intercompany claims and related matters arising from the thousands of transactions and transfers of value between and among the Debtors, overall value was at risk of material degradation to the detriment of all stakeholders; and

(4) in order for Mirant to retain its ownership interest in MAG, the creditors of MAG would have to be paid in full.

Preliminary plan discussions between and among the Debtors, the Corp Committee and the MAG Committee began in earnest in the fall of 2004 and quickly produced consensus regarding the basic structure of a plan. In particular, the Corp Committee and the MAG Committee were both prepared to support a plan pursuant to which substantially all unsecured debt and obligations against Mirant and its non-MAG subsidiaries would be converted into equity in the reorganized company. In addition, both Committees also agreed that all unsecured claims against MAG and its subsidiaries would be paid in full mainly in cash and/or debt. Discussions soon broke down, however, over how best to achieve the foregoing results. The Corp Committee was of the view that the debt obligations of MAG should be reinstated and localized within the MAG Debtor family. In contrast, the MAG Committee believed that new debt should be issued at the Mirant level where it would be supported by the net cash flow of the entire enterprise. In attempting to broker a resolution of this issue, the Debtors developed the view that it would be advantageous to the enterprise to keep the MAG debt at MAG, but that significant assets and credit support would have to be provided to MAG in order to (a) make the plan appropriately feasible at MAG, and (b) support compromising the potential intercompany claims between Mirant and MAG. Simultaneously, on the basis of advice provided by the Debtors' financial advisor, Blackstone, management also began to crystallize its view that the overall value of the Debtors' business enterprise would be $2-3 billion less than the amount needed to pay the claims of all creditors in full. As such, given the magnitude of the shortfall and the absolute priority rule, management believed that the holders of Equity Interests in Mirant would be entitled to no recovery under the Plan.

To move the process forward and to frame the parties' ongoing negotiations, the Debtors filed their first proposed Plan of Reorganization on January 19, 2005. The Plan embodied the Debtors' views on the foregoing issues and also reflected the Debtors' effort to strike fair and appropriate compromises on the key disputed issues. Although the Plan, as initially filed, did not enjoy the support of any of the Committees, each of the Corp Committee and MAG Committee acknowledged that the Plan was a constructive step in moving the Debtors toward an exit from chapter 11.

The Equity Committee vigorously objected to the Plan to the extent it treated the Equity Interests in Mirant as being "out of the money," and sought relief from the Bankruptcy Court to hold a shareholders' meeting in order to remove and replace Mirant's Board of Directors. In resolution of this motion, the Debtors agreed to conduct a valuation hearing in April 2005.

After 27 days of trial conducted over a two-month period, on June 30, 2005, the Bankruptcy Court issued a preliminary letter ruling that directed the Debtors and their financial advisor to make certain revisions to the business plan and to adjust certain aspects of Blackstone's valuation methodology. As the parties assessed and considered the Bankruptcy Court's ruling, it quickly became apparent that the revisions to the business plan would take over 2 months, that the resulting determination of value was unlikely to produce a clear answer to the critical question that was before the Bankruptcy Court, and that significant additional litigation likely awaited the parties, regardless of the answer.

Confronted with the risk of further material delay in the Debtors' exit from chapter 11, uncertainty regarding the ultimate result and mounting costs from ongoing chapter 11 administration, the Debtors, the Committees and Phoenix found themselves effectively driven into settlement negotiations regarding the open issues raised by the Debtors' then-pending Plan. The discussions accelerated and became increasingly intense during the last week of August and the first week of September, culminating in an executed Plan Term Sheet on September 7, 2005, the terms of which are now reflected by the Plan.

On the whole, the Plan is only slightly changed from the version that was initially filed by the Debtors in January, as amended in March. Notably,

- substantially all unsecured claims against the Mirant Debtors are still being converted to equity in the reorganized company;

- substantially all unsecured claims against the MAG Debtors are still being satisfied in full through a combination of reinstatement and newly issued notes or cash to be raised through the issuance of debt at confirmation; and

- significant value and credit support are still being provided to the MAG Debtors by the Mirant Debtors, although the terms of such support have now been brought into focus.

The most notable differences are that Equity Interests in Mirant are now participating in the plan recoveries on an agreed-upon basis, the recovery disputes between senior and subordinated debt have been resolved amicably, the precise terms for determining the recovery of the MAG creditors have now been established, and the terms on which litigation recoveries will be shared have been established. Importantly, because all of this has been achieved by agreements in compromise of numerous disputed issues, none of the results (or potential

implications thereof) should be viewed as an admission of the validity of any party's position or any conclusion or inference that could be drawn therefrom.

C. Summary of Distributions Under the Plan

The following is a summary of the distributions under the Plan. It is qualified in its entirety by reference to the full text of the Plan.

The Claim amounts set forth below reflect what the Debtors believe to be reasonable estimates of the likely resolution of outstanding disputed Claims. The amounts utilized differ materially from the outstanding filed Claims amounts. The filed Claim amount for the Mirant Debtors is currently in excess of $23,300,000,000 and the filed Claim amount for the MAG Debtors is currently in excess of $13,700,000,000 (in each case taking into account the results of the claim objection/estimation process).

The following chart summarizes the estimated Plan Distributions to each class on the Distribution Date (unless otherwise provided)[1]:

[1] In each instance, where postpetition interest is calculated, the calculation assumes an Effective Date of December 31, 2005. If the Effective Date occurs before or after December 31, 2005, appropriate adjustments to postpetition interest amounts will be made.

UNCLASSIFIED CLAIMS

Classes of Claims	Treatment of Classes of Claims[2]
Administrative Claims (includes costs of the Chapter 11 Cases and expenses of operation as specified in sections 503(b) and 507(a)(1) of the Bankruptcy Code, including DIP Claims, cure obligations with respect to assumed executory contracts and leases, any outstanding statutory fees, certain amounts owed under the California Settlement, estimates for earned but unpaid professional fees and expenses as of December 31, 2005 for certain professionals providing restructuring services to the Debtors, the Corp Committee, the MAG Committee, the Equity Committee, the MAG Ad Hoc Committee, Phoenix, the Old Indenture Trustees, the Examiner and the Mirant Ad Hoc Committee, and a $19,000,000 provision for success fees as originally requested by certain professionals in their applications for retention).[3] Estimated Allowed Claims: $56,600,000[4]	On the Distribution Date, each holder of an Allowed Administrative Claim shall receive: (a) the amount of such holder's Allowed Claim in one Cash payment, or (b) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided, that such treatment shall not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business. **Estimated Recovery: 100% of Allowed Claim.**
Tax Claims (includes all Claims entitled to priority under section 507(a)(8) of the Bankruptcy Code). Estimated Allowed Claims: $15,000,000	At the election of the Debtors, each holder of an Allowed Tax Claim shall receive in full satisfaction of such holder's Allowed Tax Claim: (a) the amount of such holder's Allowed Tax Claim, with Post-Confirmation Interest thereon, in equal annual Cash payments on each anniversary of the Effective Date, until the sixth anniversary of the date of assessment of such Tax Claim (provided that the Disbursing Agent may prepay the balance of any such Allowed Tax Claim at any time without penalty), (b) a lesser amount in one Cash payment as may be agreed upon in writing by such holder, or (c) such other treatment as may be agreed upon in writing by such holder; provided, that such agreed-upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the amount of such holder's Allowed Tax Claim. **Estimated Recovery: 100% of Allowed Claim.**

[2] In each instance, where postpetition interest is calculated, the calculation assumes an Effective Date of December 31, 2005. If the Effective Date occurs before or after December 31, 2005, appropriate adjustments to postpetition interest amounts will be made.

[3] The $19,000,000 figure does not include additional compensation that may be sought by certain professionals retained by the Equity Committee in accordance with retention orders previously entered by the Bankruptcy Court.

[4] This amount does not include estimated fees of the Old Indenture Trustees.

CLASSIFIED CLAIMS AND INTERESTS

Classes of Claims and Interests	Treatment of Classes of Claims and Interests[5]
MIRANT DEBTORS	
Class 1 — Priority Claims	Unimpaired.
Estimated Allowed Claims: $44,000	Pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which a holder of an Allowed Priority Claim is entitled shall be fully reinstated and retained, and such Allowed Priority Claim (including any amounts to which such holder is entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights on the Distribution Date. **Estimated Recovery: 100% of Allowed Claim.**
Class 2 — Secured Claims	Impaired.
Estimated Allowed Claims: $152,100,000 of Allowed Claims plus $300,000 of interest accrued from the Petition Date through the Effective Date	*General:* Except as otherwise agreed, each holder of an Allowed Secured Claim against any of the Mirant Debtors shall, at the sole option of the Debtors, receive on the Distribution Date on account of its Allowed Secured Claim: (a) a Plan Secured Note (secured by existing collateral or, at the Debtors' election, alternative collateral having comparable value), (b) the collateral that secures payment of such Secured Claim, (c) a single Cash payment in an amount equal to the amount of such Allowed Secured Claim, or (d) if applicable, the implementation of any valid right of setoff permitted under section 553 of the Bankruptcy Code. If the holder of an Allowed Secured Claim receives treatment as provided in (a) above, such holder shall retain the liens securing the Allowed Secured Claim (or, at the Debtors' election, receive alternative collateral having a value at least equivalent to the existing collateral) until paid in full. Any deficiency amount related to a Secured Claim against any of the Mirant Debtors shall be treated as a Mirant Debtor Class 3 — Unsecured Claim. *Alternative Consensual Treatment*: Alternatively, the Mirant Debtors and any holder of an Allowed Secured Claim may agree to any alternate treatment of such Secured Claim; provided that such treatment shall not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Secured Claim. *West Georgia Facility Claims:* If the holders of the West Georgia Facility Claims do not enter into and comply with their obligations under the West Georgia Settlement Agreement and do not vote in favor of the Plan pursuant to section 1126 of the Bankruptcy Code, on the Distribution Date, the holders of the Allowed West Georgia Facility Claims shall receive, to the extent that the West Georgia

[5] In each instance, where postpetition interest is calculated, the calculation assumes an Effective Date of December 31, 2005. If the Effective Date occurs before or after December 31, 2005, appropriate adjustments to postpetition interest amounts will be made.

	Facility Claims are determined by the Bankruptcy Court to be Secured Claims: (a) a Cash payment of up to $30,000,000 and (b) to the extent that the secured portion of the West Georgia Facility Claims exceeds $30,000,000, the West Georgia Secured Note. If the holders of the West Georgia Facility Claims enter into and comply with their obligations under the West Georgia Settlement Agreement and vote in favor of the Plan pursuant to section 1126 of the Bankruptcy Code, the West Georgia Facility Claims will be Allowed as Secured Claims in the amount of $139,700,000 plus accrued and unpaid interest through the Effective Date and, on the Distribution Date, and the holders of the Allowed West Georgia Facility Claims shall receive (a) a Cash payment in the amount of $45,000,000 and (b) rights under the West Georgia Amended Loan Documents. **Estimated Recovery: 100% of Allowed Claim.**
Class 3 — Unsecured Claims	Impaired.
Estimated Claims: $5,690,600,000 of Allowed Claims, plus $677,400,000 of interest accrued from the Petition Date through the Effective Date	Except as provided in Sections 15.4 and 17.3 of the Plan, each holder of an Allowed Unsecured Claim (including accrued interest as calculated pursuant to Section 10.14(a) of the Plan but excluding Convenience Claims) against any of the Mirant Debtors shall receive on the Distribution Date a Pro Rata Share of (a) 96.25% of the shares of New Mirant Common Stock to be issued pursuant to the Plan (excluding (i) the shares to be issued to the holders of Allowed MAG Debtor Class 4 — PG&E/RMR Claims and Allowed MAG Debtor Class 5 — Unsecured Claims pursuant to Sections 5.2(d) and (e) of the Plan, respectively, and (ii) the shares reserved for issuance pursuant to the New Mirant Employee Stock Programs), and (b) the right to receive Cash payments in an amount equal to such holder's Pro Rata Share of 50% of the Designated Net Litigation Distributions as set forth in Section 10.13 of the Plan. Pursuant to Section 15.4 of the Plan, the enforcement of subordination rights by the holders of certain Mirant Debt Claims is also resolved on the following terms: (1) each holder of Allowed Claims in respect of Subordinated Notes will receive on the Distribution Date a Pro Rata Share of (a) 3.5% of the shares of New Mirant Common Stock to be issued under the Plan (which shares are included in the 96.25% referred to in the immediately preceding paragraph and excluding (i) shares to be issued to holders of Allowed MAG Debtor Class 4 — PG&E/RMR Claims and Allowed MAG Debtor Class 5 — Unsecured Claims, provided that if such shares are issued to the holders of Allowed Mirant Debtor Class 3 — Unsecured Claims, the holders of the Claims in respect of the Subordinated Notes shall receive 3.5% of such shares, and (ii) the shares reserved for issuance pursuant to New Mirant Employee Stock Programs); and (b) the New Mirant Series B Warrants; and (2) holders of claims (including accrued interest calculated pursuant to Section 10.14(a) of the Plan) in respect of Subordinated Notes shall participate on a pari passu basis with holders of Allowed Mirant Class 3 — Unsecured Claims in Cash payments equal to 50% of the Designated Net Litigation Distributions. **Estimated Recovery: More than required by the "best interests of creditors" test set forth in section 1129(a)(7) of**

	the Bankruptcy Code.
Class 4 — Convenience Claims	Impaired.
Estimated Allowed Claims: Up to $6,200,000	Each holder of an Allowed Mirant Debtor Class 4 — Convenience Claim, which is an Unsecured Claim against any of the Mirant Debtors (excluding Mirant Debt Claims, Subordinated Note Claims and Claims of current and former directors, managers, officers and employees) up to $25,000 in amount, or up to $140,000 in amount in respect of certain Mirant Debtors, at the Debtors' election in consultation with the Corp Committee, shall receive on the Distribution Date a single Cash payment in an amount equal to the amount of such holder's Allowed Convenience Claim. **Estimated Recovery: 100% of Allowed Claim.**
Class 5 — Equity Interests	Impaired.
Estimated Allowed Equity Interests: N/A	On the Effective Date, all Equity Interests in Mirant shall be cancelled, and each holder of an Allowed Mirant Debtor Class 5 — Equity Interest shall receive on the Distribution Date a Pro Rata Share of: (a) 3.75% of the shares of New Mirant Common Stock to be issued under the Plan, excluding the shares (i) to be issued to the holders of Allowed MAG Debtor Class 4 — PG&E/RMR Claims and Allowed MAG Debtor Class 5 — Unsecured Claims; provided, that, if such shares are distributed to holders of Allowed Mirant Debtor Class 3 — Unsecured Claims, the holders of Allowed Mirant Debtor Class 5 — Equity Interests shall receive 3.75% of such shares, and (ii) to be reserved for issuance pursuant to the New Mirant Employee Stock Programs; (b) the New Mirant Series A Warrants; and (c) the right to receive cash payments in an amount equal to such holder's Pro Rata Share of 50% of the Designated Net Litigation Distributions. **Estimated Recovery: Undetermined.**
	MAG DEBTORS
Class 1 — Priority Claims	Unimpaired.
Estimated Allowed Claims: $11,000	Pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which a holder of an Allowed Priority Claim is entitled shall be fully reinstated and retained, and such Allowed Priority Claims (including any amounts to which such holder is entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights on the Distribution Date. **Estimated Recovery: 100% of Allowed Claims.**
Class 2 — Secured Claims	Impaired.
Estimated Allowed Claims: $39,200,000 of Allowed Claims, plus $1,000,000 of interest accrued from the Petition Date through the Effective Date	Except as otherwise agreed, each holder of an Allowed Secured Claim against any of the MAG Debtors (other than any Allowed MAG Debtor Class 3 — New York Taxing Authorities Secured Claim) shall, at the sole option of the Debtors, receive on the Distribution Date on account of its Allowed Secured Claim: (a) a Plan Secured Note (secured by existing collateral or, at the Debtors' election, alternative

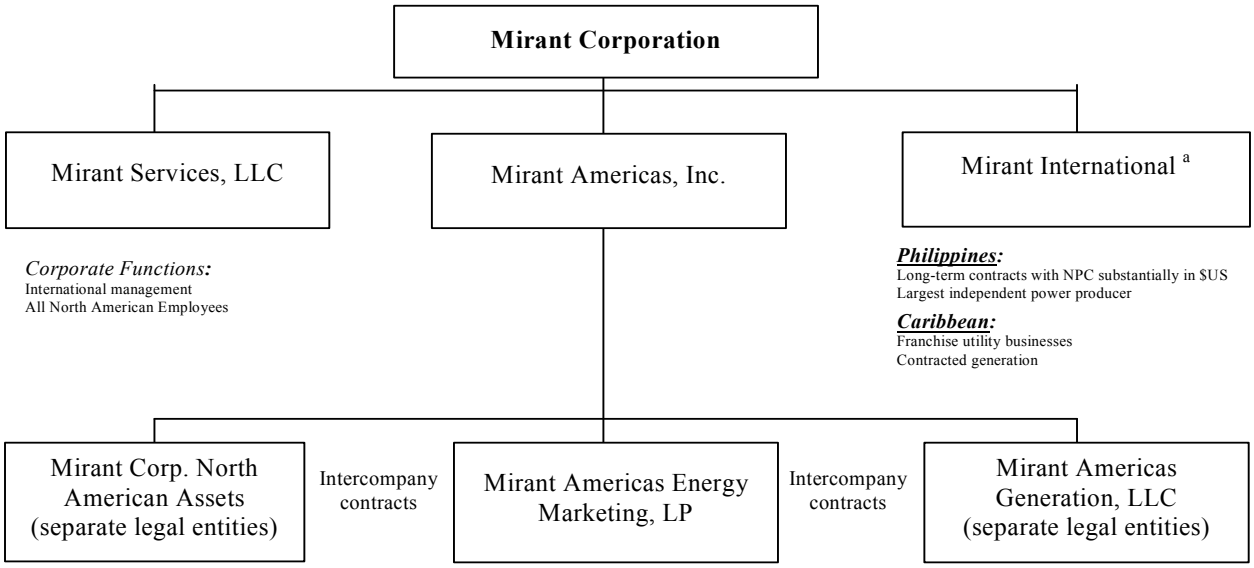
	collateral having comparable value), (b) the collateral that secures payment of such Allowed Secured Claim, (c) a single Cash payment in an amount equal to the amount of such Allowed Secured Claim, or (d) if applicable, the implementation of any valid right of setoff permitted under section 553 of the Bankruptcy Code. If the holder of an Allowed MAG Debtor Class 2 — Secured Claim receives treatment as provided in (a) above, such holder shall retain the liens securing the Allowed Secured Claim (or at the Debtors' election, receive alternative collateral having a value at least equivalent to the existing collateral) until paid in full. Any deficiency amount shall be treated as a MAG Debtor Class 5 — Unsecured Claim. *Alternate Consensual Treatment*: Alternatively, the MAG Debtors and any holder of Allowed Secured Claim may agree to any alternate treatment of such Secured Claim; provided that such treatment shall not provide a return to such holder having a present value as of the Effective Date in excess of the amount of such holder's Allowed Secured Claim. **Estimated Recovery: 100% of Allowed Claim.**
Class 3 — New York Taxing Authorities Secured Claims	Undetermined
Estimated Allowed Claims: Undetermined	If the holders of Allowed New York Taxing Authorities Secured Claims vote in favor of the Plan, each holder shall receive on the Distribution Date the treatment specified in the Proposed New York Tax Settlement set forth in Section 15.3 of the Plan. If the holders of the Allowed New York Taxing Authorities Secured Claims do not vote to accept the Plan, the New York Debtors shall be excluded from the Plan and remain in chapter 11. **Estimated Recovery: 100% of Allowed Claim.**
Class 4 — PG&E/RMR Claims	Impaired.
Estimated Allowed Claims: $133,000,000	In respect of the Allowed PG&E/RMR Claim, PG&E shall receive on the Distribution Date the treatment specified in the California Settlement as set forth in Section 15.1 of the Plan (which is substantively identical to the treatment of MAG Debtor Class 5 — Unsecured Claims, including (a) at the option of the Debtors as exercised with respect to MAG Debtor Class 5, $119,700,000 either in Cash or New MAG Holdco Notes and (b) 0.2% of the shares of New Mirant Common Stock issued under the Plan (less the shares reserved for issuance pursuant to the New Mirant Employee Stock Programs)), except that the amount of such Allowed PG&E/RMR Claims shall not include any accrued interest. **Estimated Recovery: 100% of Allowed Claim.**
Class 5 — Unsecured Claims	Impaired.
Estimated Claims: $1,157,400,000 Allowed Claims, plus $210,500,000 of interest accrued from the Petition Date through the Effective Date	Each holder of a MAG Debtor Class 5 — Allowed Unsecured Claim against any of the MAG Debtors (including accrued interest as calculated pursuant to Section 10.14(b) of the Plan)

	shall receive on the Distribution Date a Pro Rata Share of: (a) at the option of the Debtors, $1,231,110,000 either in Cash or New MAG Holdco Notes and (b) 2.1% of shares of New Mirant Common Stock issued under the Plan (excluding the shares reserved for issuance pursuant to the New Mirant Employee Stock Programs). The treatment of Allowed MAG Debtor Class 5 — Unsecured Claims is based upon an assumed Effective Date of December 31, 2005. To the extent the Effective Date occurs on a date other than December 31, 2005, the Plan Distribution will be adjusted to reflect the amount of accrued interest payable, calculated in accordance with Section 10.14(b) of the Plan. **Estimated Recovery: 100% of Allowed Claim.**
Class 6 — MAG Long-term Note Claims	Unimpaired.
Estimated Allowed Claims: $1,732,700,000, plus approximately $416,400,000 of interest accrued from the Petition Date through the Effective Date	Each holder of an Allowed MAG Long-term Note Claim shall be unimpaired under the Plan, and pursuant to section 1124 of the Bankruptcy Code: (a) all of the legal, equitable and contractual rights to which such Claim entitles such holder against the MAG Debtors in respect of such Claim shall be fully reinstated and retained; (b) all defaults, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, shall be cured; (c) the maturity of such MAG Long-term Notes shall be reinstated, and (d) all amounts owed to such holders (including (i) accrued interest as calculated pursuant to Section 10.14(c) of the Plan, and (ii) the Indenture Trustee Fees incurred by the Indenture Trustee for the MAG Long-term Notes), shall be paid in full in Cash on the later of the Effective Date and the date such amount otherwise becomes due and payable under the MAG Indenture and the MAG Long-term Notes, as reinstated. In addition, the Confirmation Order shall implement the New MAG Debt Covenants. **Estimated Recovery: 100% of Allowed Claim.**
Class 7 — Convenience Claims	Impaired.
Estimated Allowed Claims: $4,800,000	Each holder of an Allowed MAG Debtor Class 7-Convenience Claim, which is an Unsecured Claim against the MAG Debtors (excluding MAG Debt Claims and Claims of current or former directors, managers, officers and employees) up to $25,000 in amount, shall receive on the Distribution Date a single Cash payment in an amount equal to the amount of such holder's Allowed Convenience Claim. **Estimated Recovery: 100% of Allowed Claim.**
Class 8 — Equity Interests	Unimpaired
Estimated Allowed Equity Interests: N/A	MAI, as the holder of the Allowed Equity Interests in MAG, shall be unimpaired under the Plan, and pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights to which such Equity Interests entitle MAI in respect of such Equity Interests shall be fully reinstated and retained on and after the Effective Date. **Estimated Recovery: Undetermined.**

V.

GENERAL INFORMATION – CURRENT STRUCTURE

The Debtors consist of Mirant and most of its direct and indirect U.S. subsidiaries. The chart below depicts the corporate structure of Mirant and its principal subsidiaries as of the date of the Disclosure Statement.



Mirant Corp. Asset Ownership:[b]

Potomac River (VA)
Peaker (MD)
Zeeland (MI)
Sugar Creek (IN)
Shady Hills (FL)
West Georgia (GA)
Apex (NV)
Wichita Falls (TX)[c]

Commercial Operation of Assets:

Plant Dispatch
Fuel Procurement
Bidding
Delivery of Fuel and Power
Hedging — Physical and Financial
Longer-term Marketing Deals
Asset Optimization

MAG facilities:

MID-ATLANTIC
- Morgantown
- Dickerson
- Chalk Point

NEW YORK
- Bowline
- Lovett
- NY-Gen

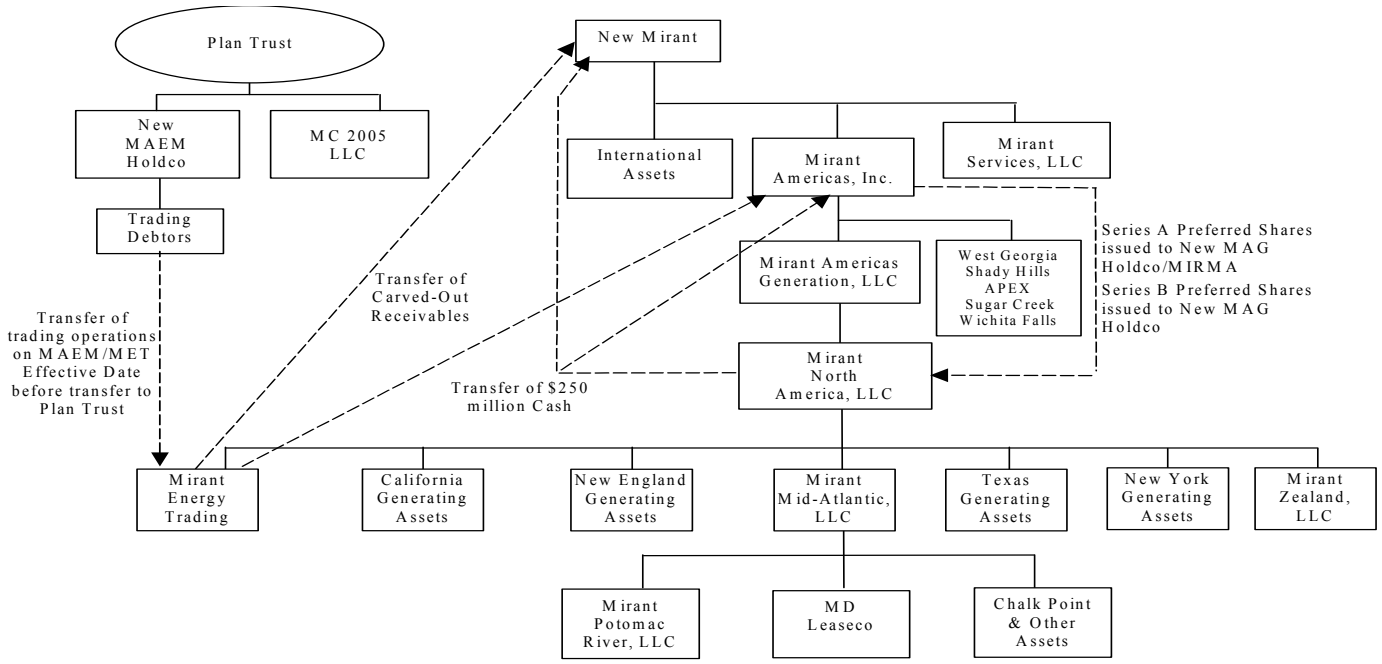
NEW ENGLAND
- Kendall
- Canal

CALIFORNIA
- Delta
- Pittsburgh
- Contra Costa
- Potrero

TEXAS
- Bosque

(a) None of Mirant's non-U.S. subsidiaries have filed chapter 11 petitions.
(b) Represents Mirant's domestic power Assets, excluding Assets owned directly or indirectly to MAG.
(c) See Disclosure Statement, "The Chapter 11 Cases-Material Asset Sales" for information on the sale of this facility.

REORGANIZED STRUCTURE*



VI.

CONCLUSION

The Debtors believe that the Plan is in the best interest of all holders of Claims and Equity Interests and urge all holders of impaired Claims and Equity Interests in the Debtors to vote to accept the Plan and to evidence such acceptance by returning their executed ballots in accordance with the instructions accompanying the Disclosure Statement so as to be actually received by the Debtors' solicitation agent no later than November 10, 2005 at 4:00 p.m. Prevailing Central Time.

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* The diagram set forth above represents a simplified presentation of the corporate structure of the Debtors and their affiliates with a number of entities excluded.